

EMERGENCY SEED LOAN PROCESSING GUIDE

APPLICANT'S NAME:	CASE NUMBER:	
ABT BANKRUPTCY PROOF OF CLAIM NO:	DATE CLAIM FILED:	
Type of Applicant <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Operation <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Corporation <input type="checkbox"/> Cooperative <input type="checkbox"/> Trust <input type="checkbox"/> Other _____		
PART I LOAN SUMMARY		
Loan Type: <u>Emergency Seed Loan</u>	Type of Assistance Code: <u>298</u>	
Loan Amount: \$ _____	Interest Rate: _____ %	
Terms in Years: 2 years	Amount of Immediate Advance: _____	
APPROVAL AUTHORITY: <input type="checkbox"/> FLO <input type="checkbox"/> FLM <input type="checkbox"/> DD <input type="checkbox"/> SED		
Amount of Loan: \$ _____ 65% of Adjusted Proof of Claim: \$ _____		
LOAN PURPOSE (intended use of funds):		
TYPE OF LIEN SEARCH TO BE DONE:		
<input checked="" type="checkbox"/> UCC	<input checked="" type="checkbox"/> ASL	
<input checked="" type="checkbox"/> EFS	<input checked="" type="checkbox"/> County Records	
<input checked="" type="checkbox"/> Copies of Liens		
<input type="checkbox"/> Other _____		
SEARCHES TO BE DONE ON THE FOLLOWING NAMES:		
Individuals	Assumed Business Names	Entity Names
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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SECURITY TO BE TAKEN (UCC-1 and Amendment if necessary):

1. All Debtor's interests in Debtor's claim against the bankruptcy estate of AgriBioTech, Inc. filed with the U.S. Bankruptcy Court for the District of Nevada.
2. All Debtor's 1999 seed crops, including proceeds thereof, produced or sold under contract with AgriBioTech, Inc. or it's predecessor or successor organizations.
3. All Debtor's contract rights, general intangibles, inventory, and accounts receivable that may in any manner relate to 1999 crops produced or sold under contract with AgriBioTech, Inc. or it's predecessor or successor organizations.
4. All proceeds from disposition of any of the aforementioned property.

(If the Debtor has any 1999 seed remaining in the Debtor's possession, or in the possession of another party on behalf of the Debtor, then the following additional language must be inserted in Item F:)

Any such collateral remaining in the Debtor's possession or control is located upon the premises described in the attached Exhibit A:

CROP DESCRIPTION (EFS-1 and Amendment):

<u>Farm Product Code</u>	<u>County Code</u>	<u>Crop Year</u>	<u>Amount</u>
List separately each 1999 seed crop included on the proof of claim	List County(ies) where seed crop grown	Use "1999" on all entries	Use "All" on all entries
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

PROPOSED LOAN CLOSING REQUIREMENTS COMPLETED IN PART IV

RECOMMENDED BY: _____ **DATE:** _____

APPROVAL OFFICIAL'S COMMENTS:

<input type="checkbox"/> Approved	<input type="checkbox"/> Rejected	<input type="checkbox"/> Proposed closing requirements reviewed & completed in Part IV
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APPROVAL OFFICIAL'S SIGNATURE: _____ **DATE:** _____

DIRECT FARM LOAN PROGRAMS - EMERGENCY SEED LOAN

APPLICANT'S NAME: _____

PART II ITEMS REQUIRED FOR A COMPLETE APPLICATION

<u>Date Received</u>	<u>By Whom</u>	
_____	_____	(1) Exhibit A to 1910-A, Letter requesting information needed for a complete Emergency Seed Loan application (date sent to applicant).
_____	_____	(2) Form FSA 2661, "Emergency Loan for Seed Producers Program Assistance."
_____	_____	(3) If the applicant is a corporation, cooperative, partnership, joint operation, limited liability company, or a trust:
_____	_____	(A) Complete list of members; stockholders and corporate officers; partners; trustees, beneficiaries, and trustors; limited liability company members and operating managers; and/or joint operators; showing address, citizenship, number of shares or percentage of ownership by each, and social security numbers or tax identification number of each member of the business entity.
_____	_____	(B) Bylaws and Articles of Incorporation; Operating Agreement and Articles of Organization; Partnership Agreement; Trust Agreement; or Joint Operating Agreement.
_____	_____	(C) "Certificate of Existence" from the Secretary of State for corporations and limited liability companies.
_____	_____	(D) A resolution adopted by the board of directors, board of managers, members, or stockholders authorizing specific officers of the corporation, cooperative, partnership, joint operation, or trust to apply for and obtain the desired loan, and execute the required debt, security, and other instruments.
_____	_____	(4) Recently completed financial statement or balance sheet including appropriate signatures from applicant.

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- _____ (5) Itemized schedule of seed inventory on hand as of the date of the balance sheet including a detailed description of the lot number, pounds, price per pound, year grown, balance due by variety grown. Seed analyses or certification reports from analysis lab to be included. Exhibit C may be used.
- _____ (6) Form AD-1026A, attached to either Form AD-1026 or AD 1026-U and completed by FSA. Required only if changes have occurred on prior year's AD 1026 and 1026-U on file.
- _____ (7) Form NRCS-CPA-026, "Highly Erodible Land and Wetland Conservation Determination," completed by NRCS (for each tract of land identified on Form AD-1026A if any of questions 8 -10 are answered "No." (Note: If this form has previously been provided to FSA, it need not be provided again unless there is a change in previous information.)
- Location of NRCS-CPA-026:
_____ Borrower Case File _____ Tract File
- _____ (8) Complete copy of the valid bankruptcy claim in the AgriBioTech (ABT) bankruptcy proceedings with all attachments.
- _____ (9) Supporting documentation on which the proof of claim is based including a description, lot number, pounds, price per pound, year grown, balance due by variety grown. Seed analyses or certification reports from analysis lab to be included. (If not included with proof of claim) Exhibit C may be used.
- _____ (10) Itemized listing of all 1999 grass seed included on the valid proof of claim which has subsequently sold. Listing shall include a variety description, lot number, pounds, price per pound, year grown and total amount received by the applicant. Exhibit C may be used.
- _____ (11) Provide a fee of \$_____ payable to FSA for electronic credit report on all individual applicants and individual members of entity.
- _____ (12) Provide a fee of \$_____ payable to FSA for commercial credit report on entity applicant if required by Credit Official.
- _____ (13) Collect fees for county lien search, fees for obtaining copies of liens from the Secretary of State, and fees for UCC and EFS filings.

PART III FSA ACTION AFTER RECEIPT OF FORM 2261

<u>Date Received</u>	<u>By Whom</u>	
_____	_____	(1) When Form FSA 2261 is received, post the application to the application card (1905-4) and complete Item 24 of Form FSA 2261 and enter in MAC.
_____	_____	(2) Check ABT database and/or web site for validity of proof of claim (disputed) and if claim has been sold or assigned.
_____	_____	(3) Check Item 17 of Form FSA 2261 for identified relationship or association with FSA employees. For those identified send Guide Letter 1900-D-2.
_____	_____	(4) Review current/past debt inquiry system, borrowers cross-reference inquiry system, and Farm Programs claims report to determine delinquency on any debts owed to FSA. Include all individual members of entities. Place copies of screens in applicant's file, Position 3.
_____	_____	(5) CAIVRS report order for applicant(s) and all individual members of entities.
_____	_____	(6) If <u>NOT ALL</u> of the required application forms have been received, send FmHA Guide Letter 1910-A-1 (20 day letter) to the applicant and request forms and information needed.
_____	_____	(7) If the necessary information is not received from the applicant within 20 calendar days after the date of the first notification of an incomplete application, send FmHA Guide Letter 1910-A-2 (10 day letter) requesting the needed information for a complete application.
_____	_____	(8) Obtain unofficial lien search on applicant, assumed business names, individual members, etc.
_____	_____	(9) Order electronic credit report.
_____	_____	(10) Electronic credit report received.
_____	_____	(11) CAIVRS report received. Place report(s) in Position 3 of the case file.

PART IV FSA ACTION AFTER RECEIPT OF A COMPLETE APPLICATION

After receipt of ALL completed forms and information required of the applicant, and when the credit report is received from the credit bureau, the application will be considered complete. The FSA approval or disapproval must be given within 30 days of this date.

<u>Date Received</u>	<u>By Whom</u>	
_____	_____	(1) Document here the date of complete application and post this date to the application card & Item 28 of Form FSA 2261. This is the date the last required document is received including the verification of all debts. DATE OF COMPLETE APPLICATION: _____
_____	_____	(2) Notify the applicant that a complete application has been received by sending FmHA Guide Letter 1910-A-3.
_____	_____	(3) Review the applicant's proof of claim and attached documentation to verify accuracy and to determine appropriate adjustments.
_____	_____	(4) Review applicant's balance sheet for prior liens, lien information, crop inventory, receivables, and the Emergency Seed Itemization Worksheet or equivalent.
_____	_____	(5) Complete field visit and inspection of seed inventory for all applicants when inventory on hand is \$50,000 or more. Date completed: _____
_____	_____	(6) Approval official to complete the evaluation of the requested loan as provided for in the Emergency Loan for Seed Producers Adjustment Worksheet.
_____	_____	(7) Complete Form FSA 2664, "Notice Of Claim Assignment," with applicant's signature and forward copy with 6-FLP, "Transmittal Letter," to the bankruptcy court.
_____	_____	(8) Notice of Claim Assignment received from the bankruptcy court.
_____	_____	(9) Complete Exhibit, "Inventory Tracking Sheet for Seed Loans," for planned sales of seed inventory. <u>NOTE: releases are not authorized; all payments must be applied on the FSA seed loan.</u>

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- _____ (10) Make Running Record entry as required by Paragraph 114 and 115 of the FSA Handbook 6-FLP.
- _____ (11) Notify applicant of approval by sending Form FmHA 1940-1, "Request for Obligation of Funds," with Exhibit 7, "Notification letter." If disapproved, prepare letter with appeal rights. Notification of approval/disapproval must be within 30 days of a complete application.
- _____ (12) If loan funds are not available within 15 days of loan approval, write a letter to the applicant explaining the situation, advising that the application will be held until the funds are available. This letter must be sent by certified mail, return receipt.

PART V CLOSING REQUIREMENTS

<u>Date Obtained</u>	<u>Check if Required</u>	
_____	<input checked="" type="checkbox"/>	UCC-1 and EFS-1 (Secretary of State)
_____	<input type="checkbox"/>	Amend or Continue Financing Statement (Secretary of State)
_____	<input checked="" type="checkbox"/>	UCC, EFS, and ASL official or unofficial lien search (Secretary of State), after the filing of FSA's UCC-1 and EFS-1
_____	<input checked="" type="checkbox"/>	Form FSA 440-13 "Report of Lien Search" (County)
_____	<input checked="" type="checkbox"/>	FSA Assignment Specify: _____
_____	<input checked="" type="checkbox"/>	Form FSA 2662, "Emergency Loans for Seed Producers – Promissory Note and Security Agreement"
_____	<input checked="" type="checkbox"/>	Form FSA 2663 "Subordination Agreement In Favor Of The Government - Emergency Loans For Seed Producers" for all prior lien holders
_____	<input checked="" type="checkbox"/>	Form FSA 2664, "Notice of Claim Assignment"
_____	<input type="checkbox"/>	Restricted endorsement on loan check per subordination requirements from other lenders
_____	<input type="checkbox"/>	Other: _____
_____	<input type="checkbox"/>	Other: _____
_____	<input type="checkbox"/>	Other: _____
_____	<input type="checkbox"/>	Other: _____

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FOLLOW UP AFTER CLOSING

<u>Date Received</u>	<u>By Whom</u>	
_____	_____	Post to Applicant Card (Closed) & Management System Card
_____	_____	Post & update MAC workload scheduling including follow-ups for UCC/EFS continuations
_____	_____	Post installment information to Management System Card & MAC
_____	_____	Follow up to obtain "Form FSA 2663, "Subordination Agreement In Favor Of The Government - Emergency Loans For Seed Producers," from all prior lien holders prior to advance of funds
_____	_____	Follow up to obtain copies of termination statements or UCC-3s if filed from prior lien holder
_____	_____	Post Management System Card & MAC with 10 month follow up for Inventory Tracking Sheet
_____	_____	Post follow up for 18 months after Form FSA 7662 is executed for amortization of remaining balances
_____	_____	_____
_____	_____	_____
_____	_____	_____

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